ON-SITE SYSTEMS, INC. A PUBLIC UTILITY CO.

December 12, 2001

Mr. David Waddell Executive Secretary Tennessee Regulatory Authority 460 James Robertson Parkway Nashville, TN 37243-0505

01-01128

RE: Petition to amend Certificate of Convenience and Necessity

Dear Mr. Waddell:

On-Site Systems Inc. desires to expand its service area to include a development in Sevier County, Tennessee known as Eagle Crest II (described on Tax Map 84 & 85, Parcel 129 and 129-84, in Sevier County, Tennessee). The attached Petition is in support of our request.

Sincerely,

Charles Pickney, Jr., President

On-Site Systems, Inc.

BEFORE THE TENNESSEE REGULATORY AUTHORITY NASHVILLE, TENNESSEE

IN RE: PETITION OF ON-SITE SYSTEMS, INC. TO AMEND ITS CERTIFICATE OF CONVENIENCE AND NECESSITY DOCKET No. Petition of On-Site Systems, Inc. To amend its Certificate of Convenience and Necessity		
Petition of On-Site Systems, Inc.		
	DOCKE	T No

On-Site Systems, Inc. ("On-Site") petitions the Tennessee Regulatory Authority ("TRA") to amend On-Site's Certificate of Convenience and Necessity to expand its service area to include a portion of Sevier County known as the Eagle Crest II as described as Map 84 & 85, Parcel 129 and 129-84. At present, neither the City of Pigeon Forge nor the County of Sevier has the desire or ability to provide sewer service to this area. (See attached letters.)

The proposed service area comprised of approximately 92 acres is shown in Exhibit A attached hereto.

Respectfully submitted,

Charles Pickney Jr., President On-Site Systems, Inc.

On-Site Systems, Inc. Sewer Service Billing Summary Residential Sewer Rates

System	Monthly Charge
Oakwood Subdivision - Maury County	\$36.67
Southridge Subdivision – Montgomery County	\$19.38 + act cost
Swan Harbor – Roane County	\$35.11
River Road Utility District - Cheatham County	\$31.15
Milcrofton Utility District – Williamson County	\$37.21
Tall Oaks Subdivision – Blount County	\$35.11
Yoakum Hollow Dev. (Windsor Pt) - Campbell County	\$35.11
Shreibman Development – Cannon County	\$35.11
Cornerstone of Mitchell Creek - Overton County	\$35.11
Bolton Area – Shelby County	\$32.68
Ussery #1- Sevier County	\$35.11
Harbor Pointe – Dekalb County	\$35.11
Hidden Springs Resort – Sevier County	\$35.11
Eagle Crest Development – Sevier County	\$35.11
Legacy Bay – Hawkins County	\$35.11
Dollywood Project – (Dream Catcher Ridge) - Sevier County	\$35.11
Homestead Suddivision - Sevier County	\$35.11
Rice Property – DeKalb County	\$35.11
East Stewart – Stewart County	\$30.98 – Lagoon \$35.11 – Sand Gravel Filter

On-Site Systems, Inc. Sewer Service Billing Summary Residential Sewer Rates

Jackson Bend Subdivision - Blount County	\$35.11
Browning Subdivision – Knox County	\$35.11
City of Coopertown - Robertson County - Lagoon - Sand-Gravel Filter	\$30.98 + 3% Franchise fee \$35.11 + 3% Franchise fee
Eagle Springs – Sevier County	\$35.11
Horseshoe Bend – Bedford County	\$35.11

PROPOSED

Eagle Crest II \$35.11

Tariff Rate Sheet

Commercial Sewer Rates - without food service

The monthly sewer charge per customer is based on the design daily flow expected from the type of establishment being served. A minimum of \$75 per month will be charged for up to the first 300 gallons per day of design flow expected. (Except off-site which will have a \$73.00 minimum plus pass through costs.) For each additional 100 gallons per day of design flow expected, up to a total of 1,000 gallons per day, an additional charge of \$15.00 per month per 100 gallons will be levied. For design flows expected over 1,000 gallons per day, up to 3,000 gallons per day, the following monthly charges per 1,000 gallons of daily flow will apply.

Disposal

Treatment

	Drip Irrigation	Point Discharge	Off Site
Sand-Gravel Filter	\$140.00	\$165.00	N/A
Lagoon	\$116.00	\$140.00	N/A
* Off Site	N/A	N/A	Pass through costs & \$73.00

For design daily flows over 3,000 gallons, the monthly charge on all system configurations will be \$116.00 per 1000 gallons of daily flow.

Additional surcharges will apply when customers exceed their expected design flows. For any month that a customer's water meter reading exceeds the expected design flow, the following surcharges will apply:

Excess water usage	Surcharge
1 gallon to 1,000 gallons above expected design flow	\$175.00
1,001 gallons to 2,000 gallons above expected design flow	\$200.00
Over 2,000 gallons above expected design flow	\$200.00/1000 gallons

If the water meter readings exceed the design flow for any three consecutive months, the monthly charge will be revised to reflect the increased usage and any capital costs associated with increasing the capacity of the system will be paid by the customer.

* Off Site means treatment and disposal by another entity such as a city or utility district

Fees: Nonpayment – 5%

Disconnection - \$10 Reconnection - \$15 Returned Check - \$20

City of Coopertown Franchise Fees: 3%

Tariff Rate Sheet

Commercial Sewer Rates - with food service

The monthly sewer charge per customer is based on the design daily flow expected from the type of establishment being served. A minimum of \$100 per month will be charged for up to the first 300 gallons per day of design flow expected. (Except off-site which will have a \$94.00 minimum plus pass through costs.) For each additional 100 gallons per day of design flow expected, up to a total of 1,000 gallons per day, an additional charge of \$18.00 per month per 100 gallons will be levied. For design flows expected over 1,000 gallons per day, up to 3,000 gallons per day, the following monthly charges per 1,000 gallons of daily flow will apply.

Disposal

Treatment

	Drip Irrigation	Point Discharge	Off Site
Sand-Gravel Filter	\$170.00	\$192.00	N/A
Lagoon	\$142.00	\$163.00	N/A
* Off Site	N/A	N/A	Pass through costs & \$94.00

For design daily flows over 3,000 gallons, the monthly charge on all system configurations will be \$142.00 per 1000 gallons of daily flow.

Additional surcharges will apply when customers exceed their expected design flows. For any month that a customer's water meter reading exceeds the expected design flow, the following surcharges will apply:

Excess water usage	Surcharge
1 gallon to 1,000 gallons above expected design flow	\$210.00
1,001 gallons to 2,000 gallons above expected design flow	\$220.00
Over 2,000 gallons above expected design flow	\$220.00/1000 gallons

If the water meter readings exceed the design flow for any three consecutive months, the monthly charge will be revised to reflect the increased usage and any capital costs associated with increasing the capacity of the system will be paid by the customer.

* Off Site means treatment and disposal by another entity such as a city or utility district

Fees: Nonpayment – 5%

Disconnection - \$10 Reconnection - \$15 Returned Check - \$20

City of Coopertown Franchise Fees: 3%



October 11, 2001

Mr. Michael Hines, M.S., P.E. Southeast Environmental Engineering, LLC 1920 Breezy Ridge Trail Concord, Tennessee 37922

Subject: Sewer Services Eagle Crest Resorts

92 (ninety-two) Acre Tract

Dear Mr. Hines:

This letter serves to advise that the City of Pigeon Forge has no plans to extend city sewer service to your proposed 92 (ninety-two) acre tract adjoining Eagle Crest Resorts within the next twelve (12) months.

Thank you for your inquiry and good luck in your project.

Sincerely,

CITY OF PIGEON FORGE

Garlene Deaster

Earlene M. Teaster City Manager

EMT:sg

xc: Mark Miller, Director of Public Works

Mike Blazer, Director of Sevier Co. Health Dept.

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November 29, 2001

Southeast Environmental Engineering, LLC Mr. Michael Hines 1920 Breezy Ridge Trail Concord, Tennessee 37922



SEVIER COUNTY
DAVID TAYLOR
Sevier County Planner

Suite 101E 125 Court Avenue Sevier County Court House Sevierville, Tennessee 37862 Office: (423) 453-3882

Dear Mr. Hines:

Eagle Crest Resort, located in the Thirteenth District is currently under the jurisdiction of the Sevier County Regional Planning Commission. At the present time, Sevier County has no plans to extend water and sewer services to this area. However, this property is located within the Urban Growth Area of the City of Pigeon Forge. Therefore, I would contact Pigeon Forge administrators concerning their future plans.

If I can be of further assistance please fee free to call me at 453-3882.

Sincerely,

David Taylor

Sevier County Planner

DT/gs

